

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1827
96TH GENERAL ASSEMBLY

5967S.04T

2012

AN ACT

To amend chapter 338, RSMo, by adding thereto one new section relating to the Missouri electronic prior authorization committee.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 338, RSMo, is amended by adding thereto one new section, to be
2 known as section 338.320, to read as follows:

**338.320. 1. There is hereby established the "Missouri Electronic Prior
2 Authorization Committee" in order to facilitate, monitor, and report to the general
3 assembly on Missouri-based efforts to contribute to the establishment of national electronic
4 prior authorization standards. Such efforts shall include the Missouri-based electronic
5 prior authorization pilot program established under subsection 5 of this section and the
6 study and dissemination of information by the committee of the efforts of the National
7 Council on Prescription Drug Programs (NCPDP) to develop national electronic prior
8 authorization standards. The committee shall advise the general assembly and the
9 department of insurance, financial institutions and professional registration as to whether
10 there is a need for administrative rules to be promulgated by the department of insurance,
11 financial institutions and professional registration as soon as practically possible.**

**12 2. The Missouri electronic prior authorization committee shall consist of the
13 following members:**

**14 (1) Two members of the senate, appointed by the president pro tempore of the
15 senate;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 16 (2) Two members of the house of representatives, appointed by the speaker of the
17 house of representatives;
- 18 (3) One member from an organization of licensed physicians in the state;
- 19 (4) One member who is a physician licensed in Missouri pursuant to chapter 334;
- 20 (5) One member who is a representative of a Missouri pharmacy benefit
21 management company;
- 22 (6) One member from an organization representing licensed pharmacists in the
23 state;
- 24 (7) One member from the business community representing businesses on health
25 insurance issues;
- 26 (8) One member from an organization representing the leading research-based
27 pharmaceutical and biotechnology companies;
- 28 (9) One member from an organization representing the largest generic
29 pharmaceutical trade association;
- 30 (10) One patient advocate;
- 31 (11) One member from an electronic prescription network that facilitates the secure
32 electronic exchange of clinical information between physicians, pharmacies, payers, and
33 pharmacy benefit managers and other health care providers;
- 34 (12) One member from a Missouri-based electronic health records company;
- 35 (13) One member from an organization representing the largest number of
36 hospitals in the state;
- 37 (14) One member from a health carrier as such term is defined under section
38 376.1350;
- 39 (15) One member from an organization representing the largest number of health
40 carriers in the state, as such term is defined under section 376.1350;
- 41 (16) The director of the department of social services, or the director's designee;
- 42 (17) The director of the department of insurance, financial institutions and
43 professional registration, who shall be chair of the committee.
- 44 3. All of the members, except for the members from the general assembly, shall be
45 appointed by the governor no later than September 1, 2012, with the advice and consent
46 of the senate. The staff of the department of insurance, financial institutions and
47 professional registration shall provide assistance to the committee.
- 48 4. The duties of the committee shall be as follows:
- 49 (1) Before February 1, 2019, monitor and report to the general assembly on the
50 Missouri-based electronic prior authorization pilot program created under subsection 5
51 of this section including a report of the outcomes and best practices developed as a result

52 of the pilot program and how such information can be used to inform the national
53 standard-setting process;

54 (2) Obtain specific updates from the NCPDP and other pharmacy benefit managers
55 and vendors that are currently engaged in pilot programs working toward national
56 electronic prior authorization standards;

57 (3) Correspond and collaborate with the NCPDP and other such pilots through the
58 exchange of information and ideas;

59 (4) Assist, when asked by the pharmacy benefit manager, with the development of
60 the pilot program created under subsection 5 of this section with an understanding of
61 information on the success and failures of other pilot programs across the country;

62 (5) Prepare a report at the end of each calendar year to be distributed to the general
63 assembly and governor with a summary of the committee's progress and plans for the next
64 calendar year, including a report on Missouri-based efforts to contribute to the
65 establishment of national electronic prior authorization standards. Such annual report
66 shall continue until such time as the NCPDP has established national electronic prior
67 authorization standards or this section has expired, whichever is sooner. The first report
68 shall be completed before January 1, 2013;

69 (6) Upon the adoption of national electronic prior authorization standards by the
70 NCPDP, prepare a final report to be distributed to the general assembly and governor that
71 identifies the appropriate Missouri administrative regulations, if any, that will need to be
72 promulgated by the department of insurance, financial institutions and professional
73 registration, in order to make those standards effective as soon as practically possible, and
74 advise the general assembly and governor if there are any legislative actions necessary to
75 the furtherance of that end.

76 5. The department of insurance, financial institutions and professional registration
77 and the Missouri electronic prior authorization committee shall recruit a Missouri-based
78 pharmacy benefits manager doing business nationally to volunteer to conduct an electronic
79 prior authorization pilot program in Missouri. The pharmacy benefits manager
80 conducting the pilot program shall ensure that there are adequate Missouri licensed
81 physicians and an electronic prior authorization vendor capable and willing to participate
82 in a Missouri-based pilot program. Such pilot program established under this section shall
83 be operational by January 1, 2014. The department and the committee may provide advice
84 or assistance to the pharmacy benefit manager conducting the pilot program but shall not
85 maintain control or lead with the direction of the pilot program.

86 6. Pursuant to section 23.253 of the Missouri sunset act:

87 **(1) The provisions of the new program authorized under this section shall sunset**
88 **automatically six years after the effective date of this section unless reauthorized by an act**
89 **of the general assembly; and**

90 **(2) If such program is reauthorized, the program authorized under this section**
91 **shall sunset automatically twelve years after the effective date of the reauthorization of this**
92 **section; and**

93 **(3) This section shall terminate on September first of the calendar year immediately**
94 **following the calendar year in which the program authorized under this section is sunset.**

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